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College Prices, Costs, and Outcomes: Who's Minding the Gap Between Higher Education and the Public?

Peter D. Eckel

University of Pennsylvania, eckelpd@upenn.edu

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College Prices, Costs, and Outcomes: Who's Minding the Gap Between Higher Education and the Public?

Abstract

Tuition and fees at most public and independent colleges and universities have risen markedly over the last two decades, and although the rate of increase has slowed in most cases, college has become less affordable for a number of people, and the willingness and ability of students, parents, and the public to pay the price have declined. Most board members seem to understand this point, but only when it comes to other colleges and universities, according to a survey recently conducted by the Association of Governing Boards of Universities and Colleges (AGB) of more than 2,500 board members across the country. Board members think that higher education in general is too expensive, but the price is right at their own institution. And while almost half say that their institution could be doing more or needs to do much more to reduce expenses, the other half say it is already doing all it can.

Disciplines

Education | Education Economics | Higher Education | Higher Education Administration

The 2012 AGB Survey of Higher Education Governance

College Prices, Costs, and Outcomes

Who's Minding the Gap Between
Higher Education and the Public?



About AGB



Since 1921, the Association of Governing Boards of Universities and Colleges (AGB) has had one mission: to strengthen and protect this country's unique form of institutional governance through its research, services, and advocacy. Serving more than 1,250 member boards, 1,900 institutions, and 36,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and private institutions and institutionally related foundations with resources that enhance their effectiveness.

In accordance with its mission, AGB develops programs and services that strengthen the partnership between the president and governing board; provides guidance to regents and trustees; identifies issues that affect tomorrow's decision making; and fosters cooperation among all constituencies in higher education.

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INTRODUCTION

Reconciling Board Members' Views about Their Own Institution and Higher Education in General

Tuition and fees at most public and independent colleges and universities have risen markedly over the last two decades, and although the rate of increase has slowed in most cases, college has become less affordable for a number of people, and the willingness and ability of students, parents, and the public to pay the price have declined.

Most board members seem to understand this point, *but only when it comes to other colleges and universities*, according to a survey recently conducted by the Association of Governing Boards of Universities and Colleges (AGB) of more than 2,500 board members across the country. Board members think that higher education in general is too expensive, *but the price is right at their own institution*. And while almost half say that their institution could be doing more or needs to do much more to reduce expenses, the other half say it is already doing all it can.

Board members similarly say that their institution prepares graduates well for life, careers, and citizenship, and that *their institution does so better than higher education in general*. Most board members also agree that colleges and universities are essential to the economy and need to do more to graduate enrolled students. But *fewer are convinced that the United States needs to increase the number of people with college degrees, and one-fifth of those surveyed actually say they disagree with this national goal*.

Given that the cost and value of a college degree have been the targets of great public attention in recent years, AGB specifically asked board members for their views about those issues in the study, its third annual survey of higher education governance. Fifteen percent of the board members that responded served at public colleges, universities or systems, and 85 percent served at independent colleges and universities. (Full details of the survey, including a breakdown of the findings by type of institution, are available on the AGB Web site at www.agb.org.)

From the survey results, it seems clear that boards are not translating public concerns about higher education, which they largely share, into action in the boardroom. For colleges and universities to secure continued public understanding and support, there must be better alignment between the public's needs and higher education's actions, between the public's perceptions and higher education's reality. Currently, the gap between the public and higher education's governing board members is much too great, as these survey results reveal. For this situation to improve, members of governing boards must take more seriously the concerns of the public as they make their decisions. They must ask hard questions at key points about the cost, quality, and value of the institutions they serve. They must be willing and able to take a hard look at the data that support the answers. They must act on what they learn, as well as better explain higher education's costs, pricing, and quality to the public. Until they do, the gap will continue to widen.

We hope this report stimulates discussions about price, cost, and outcomes in boardrooms across the country, in public and independent colleges and universities, large and small. Board members do govern higher education one institution at a time, but their collective commitment to higher education has never been more important.

EXECUTIVE SUMMARY

The Value Proposition for Higher Education: Price, Cost, and Outcomes

Tuition and Value

The public thinks that higher education tuition and fees are too high, and most board members agree that higher education, in general, is too expensive. *But most board members also say their own institution generally costs what it should, relative to its value, and that their institution is doing all it can to keep tuition and fees affordable for students.* About half of the board members surveyed say that their institution is doing all it can to hold the line on tuition, and about the same number think their institution needs to do more. (See *Tables 1 and 2.*) Because almost all boards report that they have the power and responsibility to approve tuition and fees, this conflicted position in the boardroom may be reflected in the modest slowing in pricing seen over the last few years.

TABLE 1 (EXECUTIVE SUMMARY): BOARD MEMBERS' VIEWS OF THE COST AND VALUE OF ATTENDING THEIR OWN INSTITUTION COMPARED TO HIGHER EDUCATION AS A WHOLE

My institution generally costs what it should relative to its value.	62%	38%	Higher education costs what it should relative to its value.
My institution is underpriced relative to its value.	21%	7%	Higher education is underpriced relative to its value.
My institution is too expensive relative to its value.	17%	55%	Higher education is too expensive relative to its value.
My Institution Total	100%	100%	Higher Education Total

TABLE 2 (EXECUTIVE SUMMARY): BOARD MEMBERS' OPINIONS REGARDING THE PRICE OF TUITION AND FEES AT THEIR OWN INSTITUTION

My institution is doing all it can to keep tuition and fees affordable for students.	43%
My institution is making some inroads, but could be doing more to make tuition and fees more affordable for students.	29%
My institution needs to do much more to make our tuition and fees affordable for students.	13%
My institution is already low-cost or reasonably priced.	11%
My institution should be charging more for tuition and fees.	2%
Setting tuition and fees is outside the control of the campus/board.	1%
Total	100%

Institutional Expenses

Forty-nine percent of respondents say their institution could be doing more or needs to do much more to reduce expenses; an equal percentage say it is already doing all it can (49 percent). Only 1 percent say containing expenses is not an institutional priority. (See Table 3.) Interestingly, more than half (51 percent) of the board members at independent institutions say their college or university is doing everything it can to reduce expenses, while only 37 percent of those at public institutions say that it is doing everything that it can. (Please see full survey at www.agb.org.)

TABLE 3 (EXECUTIVE SUMMARY): EFFORTS TO CONTROL EXPENSES AT MY INSTITUTION

My institution does everything it can to reduce expenses.	49%
My institution does many things to reduce expenses, but could be doing more.	42%
My institution needs to do much more to reduce expenses.	7%
My institution is not trying to reduce expenses.	1%
Total	100%

The top cost-drivers, according to surveyed board members, include capital investments and campus infrastructure, health benefit plans, administrative costs, faculty costs, institutional aid for students (independent colleges), and decreased state support (public colleges). While decreased state support is not an expense, per se, it is perceived to be a cost driver since losses in this source of revenue are so closely linked to the need to control expenses. (See Table 4.)

TABLE 4 (EXECUTIVE SUMMARY): TOP COST DRIVERS AT COLLEGES AND UNIVERSITIES

Public	Independent
1. Decreased state support	1. Capital investments and campus infrastructure
2. Capital investments and campus infrastructure	2. Institutional aid for students
3. Health benefit plans	3. Faculty costs
4. Administrative costs	4. Administrative costs
5. Faculty costs	5. Health benefit plans

Outcomes

Almost all board members believe that higher education helps people have better lives, engage with their communities, and prepare for careers, and that their own institution does so even better than most. (See Table 5.)

TABLE 5 (EXECUTIVE SUMMARY): BOARD MEMBERS' RESPONSES TO STATEMENTS ABOUT EDUCATIONAL OUTCOMES FOR THEIR OWN INSTITUTION AND HIGHER EDUCATION IN GENERAL

	Strongly Agree	Agree	Disagree	Strongly Disagree
<i>My institution helps people have better lives.</i>	66%	33%	1%	0%
<i>Higher education helps people have better lives.</i>	56%	42%	2%	0%
<i>My institution plays an important role in developing people who are engaged in their communities and concerned about key social issues.</i>	62%	34%	4%	0%
<i>Higher education plays an important role in developing people who are engaged in their communities and concerned about key social issues.</i>	38%	51%	10%	1%
<i>My institution prepares graduates very well for their careers.</i>	45%	51%	4%	0%
<i>Higher education prepares graduates very well for their careers.</i>	19%	69%	11%	1%

Almost all board members also think that higher education's research and innovation are central to the economy and that institutions need to graduate more of the students who enroll. Yet while most board members agree that the United States needs a larger proportion of its citizens to earn college degrees, fewer of them feel strongly about it. In fact, 21 percent of board members disagree with this goal (see Table 6), which raises a fundamental question about how board members view the mission of higher education.

TABLE 6 (EXECUTIVE SUMMARY): BOARD MEMBERS' RESPONSES TO STATEMENTS ABOUT EDUCATION AND THE ECONOMY, GRADUATION RATES, AND ATTAINMENT RATES

	Strongly Agree	Agree	Disagree	Strongly Disagree
Higher education's research and innovation are central to the economy.	51%	41%	7%	0%
Colleges and universities need to do more to increase the percentage of enrolled students who complete degrees.	55%	39%	6%	0%
The United States needs more of our citizens to earn college degrees.	39%	40%	19%	2%

SECTION 1

The Price is Right at My Institution, but Yours is too Expensive

Nearly two-thirds of independent college and university trustees (63 percent) think their own institution generally costs what it should, relative to its value, and about one-fifth (19 percent) think it is undervalued. Another 18 percent think their institution is too expensive, relative to its value. (See Table 1.)

More than half of public college and university board members (56 percent) think their institution costs about the right amount, and more than one-third (35 percent) think it is underpriced; only 9 percent think it is too expensive, relative to its value. (See Table 1.)

“More than half of public college and university board members (56 percent) think their institution costs about the right amount.”

Not surprisingly, public college and university board members are nearly twice as likely as board members of independent institutions to think their own institution costs less than its value (35 percent vs. 19 percent), and only half as many public board as independent board members think their own institution is too expensive (9 percent vs. 18 percent). The average published tuition and fees in 2012-13 at independent nonprofit colleges and universities (\$29,056) is more than three times that for in-state tuition and fees at public four-year institutions

TABLE 1: THE COST AND VALUE OF ATTENDING MY INSTITUTION

	Public	Independent	Total
My institution generally costs what it should relative to its value.	56%	63%	62%
My institution is underpriced relative to its value.	35%	19%	21%
My institution is too expensive relative to its value.	9%	18%	17%
TOTAL	100%	100%	100%

TABLE 2: THE COST AND VALUE OF THE HIGHER EDUCATION SECTOR AS A WHOLE IN THE UNITED STATES

	Public	Independent	Total
Higher education costs what it should relative to its value.	42%	37%	38%
Higher education is underpriced relative to its value.	10%	6%	7%
Higher education is too expensive relative to its value.	48%	57%	55%
TOTAL	100%	100%	100%

TABLE 3: BOARD MEMBERS' VIEWS OF THE COST AND VALUE OF ATTENDING THEIR OWN INSTITUTION COMPARED TO HIGHER EDUCATION AS A WHOLE

My institution generally costs what it should relative to its value.	62%	38%	Higher education costs what it should relative to its value.
My institution is underpriced relative to its value.	21%	7%	Higher education is underpriced relative to its value.
My institution is too expensive relative to its value.	17%	55%	Higher education is too expensive relative to its value.
My Institution Total	100%	100%	Higher Education Total

(\$8,655), (*Trends in College Pricing 2012*, College Board).

When it comes to other higher education institutions, however, more than half of board members (55 percent) think that the higher education sector as a whole is too expensive, while 38 percent think

it's priced right and 7 percent find it to be underpriced relative to its value. (See *Table 2*.) So while most board members think the price of attending *their own* institution is about right, most think higher education is too expensive overall. (See *Table 3*.)



SECTION 2

Controlling Prices and Costs

Are colleges and universities doing enough to keep tuition affordable? Boards of almost all colleges and universities determine the tuition and fees they charge; only 4 percent of respondents of public institutions and 1 percent of respondents of independent colleges and universities said setting tuition and fees is outside of the board’s control. (See Table 4.) Forty-three percent of board members said their institution is *doing all it can* to keep tuition and fees affordable for students, but almost as many (42 percent) think they *need to be doing more* or *need to do much more* to make college affordable. Ten percent of independent and 20 percent of public board members said their institutions are *already low-cost*, and two percent in each sector think they *should be charging*

more for tuition and fees. (See Table 4.) With the public up in arms about rising prices, this leaves room for questions about how boards set tuition and fees and what factors they consider when they do so.

When it comes to controlling expenses, board members of public institutions say they need to do more. Sixty-two percent of public board members say their institution *could be doing more* or *needs to do much more* to reduce expenses, compared to 48 percent of independent college and university board members. Fifty-one percent of board members of independent colleges and universities say they their institution already *does everything it can* to reduce expenses, compared to 37 percent of public board members. (See Table 5.)

While the whole higher education sector has been subject to public scrutiny about the price of tuition, most respondents feel that the education their

TABLE 4: BOARD MEMBERS’ OPINIONS REGARDING THE PRICE OF TUITION AND FEES AT THEIR OWN INSTITUTION

	Public	Independent	Total
My institution is doing all it can to keep tuition and fees affordable for students.	36%	45%	43%
My institution is making some inroads, but could be doing more to make tuition and fees more affordable for students.	25%	30%	29%
My institution needs to do much more to make our tuition and fees affordable for students.	13%	13%	13%
My institution is already low-cost or reasonably priced.	20%	10%	11%
My institution should be charging more for tuition and fees.	2%	2%	2%
Setting tuition and fees is outside the control of the campus/board.	4%	1%	1%
TOTAL	100%	100%	100%

“Fifty-one percent of board members of independent colleges and universities say that their institution already *does everything it can* to reduce expenses.”

TABLE 5: EFFORTS TO CONTROL EXPENSES AT MY INSTITUTION

	<i>Public</i>	<i>Independent</i>	<i>Total</i>
My institution does everything it can to reduce expenses.	37%	51%	49%
My institution does many things to reduce expenses, but could be doing more.	50%	41%	42%
My institution needs to do much more to reduce expenses.	12%	7%	7%
My institution is not trying to reduce expenses.	1%	1%	1%
TOTAL	100%	100%	100%

institution provides is a good value. The notable determination of public board members to do more to control expenses may reflect the demands they face to do more with less, that is, increase capacity and graduation rates, without raising tuition, and without additional (or as much) state support. Finding new ways to deliver on the promise of an affordable public education presents a considerable

challenge for public governing board members. Board members in both independent and public institutions will likely spend more time in the coming years working with presidents, administrators, and faculty addressing the challenge to preserve the quality of education, control costs, and limit tuition increases.



SECTION 3

Top Three Factors Most Responsible for Increasing Expenses

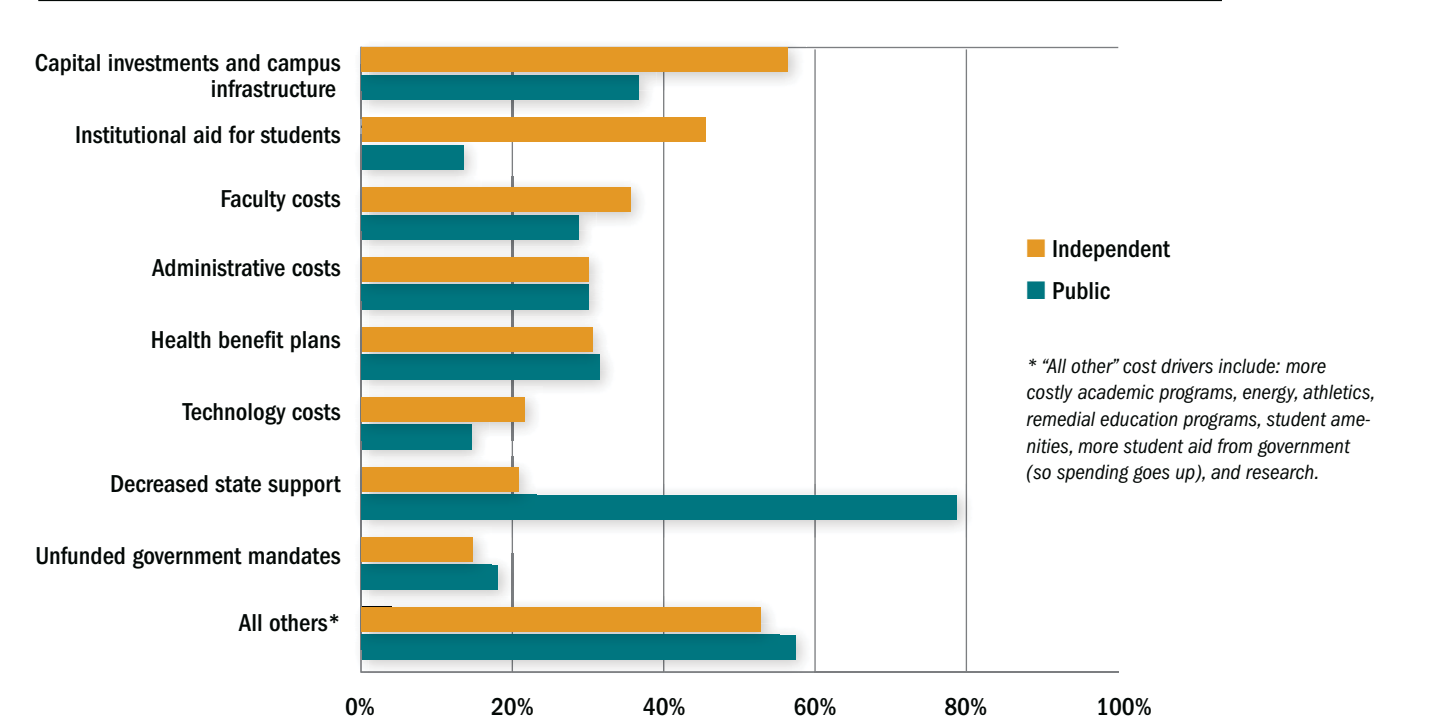
Many of the same factors are perceived as contributing to increased costs at both public and independent institutions. Asked to pick three factors, board members in both sectors identified the same four out

of five top items, though not in the same order: capital investments and campus infrastructure, including deferred maintenance, new buildings, and campus expansion; health benefit plans; administrative costs, such as increasing salaries and number of administrative personnel; and faculty costs. For board members of public institutions, the top issue responsible for increased costs was decreased state support, while board members of independent institutions added institutional aid for students as one of the top five cost drivers. (See Table 6 and Chart 1.)

TABLE 6: TOP COST DRIVERS AT COLLEGES AND UNIVERSITIES

Public	Independent
1. Decreased state support	1. Capital investments and campus infrastructure
2. Capital investments and campus infrastructure	2. Institutional aid for students
3. Health benefit plans	3. Faculty costs
4. Administrative costs	4. Administrative costs
5. Faculty costs	5. Health benefit plans

CHART 1: TOP COST DRIVERS AT COLLEGES AND UNIVERSITIES



SECTION 4

Education for Life,
Careers, and the
Common Good

We asked board members what they thought about the accomplishments of higher education in preparing graduates **for careers, better lives, and community engagement**. We also asked what they thought about the accomplishments of their own institutions. Most trustees were more satisfied with their own institution than with the higher education sector overall, but almost all—at least 88 percent—agreed or strongly agreed that both higher education and their own institution prepare graduates well in all three of these dimensions: careers, better lives, and community engagement. (See Tables 7-12.)

Helps People Have Better Lives Nearly all respondents agreed or strongly agreed that their own institution (99 percent) and higher education (98 percent) help people have better lives. They also felt strongly about it; two-thirds (66 percent) strongly agreed that their institution helped people have better lives, though more trustees of public than independent institutions (64 percent vs. 55 percent) strongly agreed that higher education in general helps people have better lives. (See Tables 7 and 8.)

“Nearly all respondents agreed or strongly agreed that their own institution (99 percent) and higher education (98 percent) help people have better lives.”

TABLE 7: HIGHER EDUCATION HELPS PEOPLE HAVE BETTER LIVES

	Public	Independent	Total
Strongly Agree	64%	55%	56%
Agree	35%	43%	42%
Disagree	1%	2%	2%
Strongly Disagree	0%	0%	0%
TOTAL	100%	100%	100%

TABLE 8: MY INSTITUTION HELPS PEOPLE HAVE BETTER LIVES

	Public	Independent	Total
Strongly Agree	62%	67%	66%
Agree	38%	32%	33%
Disagree	1%	1%	1%
Strongly Disagree	0%	0%	0%
TOTAL	100%	100%	100%

Develops People Who Are Engaged in Their Communities

Almost all respondents (96 percent) either agreed or strongly agreed that their own institution plays an important role in developing people who are engaged in their communities and concerned about key social issues, and almost as many (89 percent) either agreed or strongly agreed that higher education, in general, does too. More board members of independent than public institutions strongly agreed that *my institution* plays an important role in developing people who are engaged in their communities and concerned about key social issues (64 percent vs. 51 percent), while more public than independent board members strongly agreed that that *higher education* does so (46 percent vs. 36 percent). Nearly twice as many board members of independent institutions strongly agreed that their own institution developed people engaged in their communities and concerned about social issues (64 percent), compared to higher education in general (36 percent). (See Tables 9 and 10.)

TABLE 9: HIGHER EDUCATION PLAYS AN IMPORTANT ROLE IN DEVELOPING PEOPLE WHO ARE ENGAGED IN THEIR COMMUNITIES AND CONCERNED ABOUT KEY SOCIAL ISSUES

	Public	Independent	Total
Strongly Agree	46%	36%	38%
Agree	46%	52%	51%
Disagree	8%	11%	10%
Strongly Disagree	1%	1%	1%
TOTAL	100%	100%	100%

TABLE 10: MY INSTITUTION PLAYS AN IMPORTANT ROLE IN DEVELOPING PEOPLE WHO ARE ENGAGED IN THEIR COMMUNITIES AND CONCERNED ABOUT KEY SOCIAL ISSUES

	Public	Independent	Total
Strongly Agree	51%	64%	62%
Agree	44%	32%	34%
Disagree	5%	4%	4%
Strongly Disagree	0%	0%	0%
TOTAL	100%	100%	100%



TABLE 11: HIGHER EDUCATION PREPARES GRADUATES VERY WELL FOR THEIR CAREERS

	<i>Public</i>	<i>Independent</i>	<i>Total</i>
Strongly Agree	21%	19%	19%
Agree	71%	69%	69%
Disagree	8%	11%	11%
Strongly Disagree	0%	1%	1%
TOTAL	100%	100%	100%

TABLE 12: MY INSTITUTION PREPARES ITS GRADUATES VERY WELL FOR THEIR CAREERS

	<i>Public</i>	<i>Independent</i>	<i>Total</i>
Strongly Agree	40%	46%	45%
Agree	56%	50%	51%
Disagree	4%	4%	4%
Strongly Disagree	0%	0%	0%
TOTAL	100%	100%	100%

Prepares Graduates Very Well for Careers

Almost all board members (96 percent) either agreed or strongly agreed that *my institution* prepares its graduates very well for their careers. Most board members (88 percent) also either agreed or strongly agreed that *higher education* does so. (See Tables 11 and 12.) More than twice as many respondents strongly agreed that their own institution prepares graduates very well for careers (45 percent), compared to the higher education sector as a whole (19 percent).

In comparison to preparing students for leading better lives and preparing students for community engagement, far fewer respondents strongly agreed that their institution or the higher education sector as a whole prepares graduates very well for their careers. (See Table 13.)

TABLE 13: BOARD MEMBERS' RESPONSES TO STATEMENTS ABOUT EDUCATIONAL OUTCOMES FOR THEIR OWN INSTITUTION AND HIGHER EDUCATION IN GENERAL

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Disagree</i>	<i>Strongly Agree</i>
<i>My institution</i> helps people have better lives.	66%	33%	1%	0%
Higher education helps people have better lives.	56%	42%	2%	0%
<i>My institution</i> plays an important role in developing people who are engaged in their communities and concerned about key social issues.	62%	34%	4%	0%
Higher education plays an important role in developing people who are engaged in their communities and concerned about key social issues.	38%	51%	10%	1%
<i>My institution</i> prepares graduates very well for their careers.	45%	51%	4%	0%
Higher education prepares graduates very well for their careers.	19%	69%	11%	1%

SECTION 5

Education and the Economy, Graduation Rates, and Attainment Rates

We also asked whether trustees agreed with these three statements:

- Higher education’s research and innovation are central to the economy,
- Colleges and universities need to do more to increase the percentage of enrolled students who complete degrees, and
- The United States needs more of our citizens to earn college degrees.

As we found with the previous questions, most trustees (79 percent to 94 percent) *agreed* or *strongly agreed* with these three statements or goals. (See Tables 14-16.) However, there were notable differences between board members of public and independent institutions on these issues, and in the strength of responses across these three issues (e.g., whether they agreed or strongly agreed).

A larger percentage of board members *strongly agreed* that more needs to be done to graduate more of the students enrolled in colleges and universities (55 percent) and that the higher education sector’s

research and innovation were central for the economy (51 percent) than strongly agreed that we need more people to earn college degrees (39 percent). On each of these three items, more board members from public institutions than independent colleges and universities strongly agreed.

Perhaps most surprising among these findings was the relative lack of support among board members for increasing college attainment rates in this country. Fewer board members strongly agreed and more board members disagreed or strongly disagreed that “The United States needs more of our citizens to earn college degrees” compared to the other statements. (See Table 17.)

If board members aren’t convinced, it appears that much less likely that the U.S. will reach the lofty attainment goals set by President Obama in 2009: that by 2020 the percentage of adults aged 25 to 34 with a college degree would increase from 40 to 60 percent.

In comments, some respondents questioned the goal of increasing the number of students with college degrees, expressed concern about squandering resources, and championed the value of trade schools and vocational education. These board members think students who aren’t prepared for or interested in pursuing a college degree should have viable career education alternatives.

TABLE 14: HIGHER EDUCATION’S RESEARCH AND INNOVATION ARE CENTRAL TO THE ECONOMY

	Public	Independent	Total
Strongly Agree	61%	50%	51%
Agree	32%	43%	41%
Disagree	7%	7%	7%
Strongly Disagree	0%	1%	0%
TOTAL	100%	100%	100%

TABLE 15: COLLEGES AND UNIVERSITIES NEED TO DO MORE TO INCREASE THE PERCENTAGE OF ENROLLED STUDENTS WHO COMPLETE DEGREES

	Public	Independent	Total
Strongly Agree	66%	53%	55%
Agree	28%	41%	39%
Disagree	5%	6%	6%
Strongly Disagree	1%	0%	0%
TOTAL	100%	100%	100%

TABLE 16: THE UNITED STATES NEEDS MORE OF OUR CITIZENS TO EARN COLLEGE DEGREES

	Public	Independent	Total
Strongly Agree	51%	37%	39%
Agree	37%	41%	40%
Disagree	12%	20%	19%
Strongly Disagree	1%	2%	2%
TOTAL	100%	100%	100%

TABLE 17: BOARD MEMBERS' RESPONSES TO STATEMENTS ABOUT EDUCATION AND THE ECONOMY, GRADUATION RATES, AND ATTAINMENT RATES

	Strongly Agree	Agree	Disagree	Strongly Agree
Higher education's research and innovation are central to the economy.	51%	41%	7%	0%
Colleges and universities need to do more to increase the percentage of enrolled students who complete degrees.	55%	39%	6%	0%
The United States needs more of our citizens to earn college degrees.	39%	40%	19%	2%

Research, Education, and the Economy

Almost all board members (92 percent) either *agreed* or *strongly agreed* that higher education's research and innovation are central to the economy. Half of board members from independent institutions and 61 percent from public institutions *strongly agreed*. (See Table 14.)

Graduating More Enrolled Students Almost all board members (94 percent) either *agreed* or *strongly agreed* that colleges and universities need to do more to increase the percentage of enrolled students who complete college degrees. Two-thirds of public board members and 53 percent of independent college and university trustees *strongly agreed* that colleges and universities need to do more to graduate enrolled students. (See Table 15.)

Need More Americans with College Degrees

Seventy-nine percent of board members either *agreed* or *strongly agreed* that the United States needs more of its citizens to earn college degrees. Fifty-one percent of board members of public institutions *strongly agreed* with that statement, compared to 37 percent from independent institutions. (See Table 16.) Thirteen percent of board members of public institutions and 22 percent of board members of independent institutions *disagreed* or *strongly disagreed* with this statement.

CONCLUSIONS

Board Members Govern Higher Education One Institution at a Time

This study, the first of its kind for AGB, surveyed board members about their opinions on higher education and their own institution in regard to the cost, price, and the value of a college education.

Trustees of American higher education institutions are challenged by the tension between controlling the price of tuition and the cost of running colleges and universities, while increasing the number of students who complete degrees and ensuring their preparedness for life, citizenship, and work. Entrusted with the stewardship of the college, university, or system on whose board they serve, board members appreciate the value of their own institution's contributions to American higher education and most think the price of attending (their own institution) is about right for the value. Board members also share the American public's growing concern about student indebtedness and affordability of a college education. Most think the price of higher education, in general, is too high. Likewise, board members appreciate the educational outcomes their institution provides graduates in terms of quality of life, responsible citizenship, and career preparation, and think that their own institution does this better than higher education in general. Like the children from Lake Wobegon, *their institution* is above average.

This leads to the conclusion that *board members govern higher education one institution at a time*. Board members focus on their own college or university, not higher education in general, and they have a much higher opinion of their own institution than the sector as a whole. U.S. higher education is a loose federation of colleges, universities, and systems, though we sometimes refer to the "system" of American higher education as if it were one entity. The strength of higher education in the U.S. has always been the diversity of colleges and universities, and the traditions of institutional autonomy and academic freedom. Its unique style of governance is based upon the tradition of citizen trusteeship—governance by citizens, not faculty, administrators, or a national ministry.

This survey points out that there is a need for those who hold higher education in trust to learn more about the higher education sector in this country and to be vocal advocates for its value. Board members also need to face the facts about the average price of a college education, and the willingness and ability of the average American to pay for it. They must reconcile the price of American higher education being too high with the tuition charged at their own institution.

The future of this country and its international standing depend upon an educated citizenry, and more Americans need to participate in post-secondary education to ensure a better future for all, individually and as a nation. While every institution should strive to be its best, and every board member should be convinced of the value of the education their institution provides, the sector and the country will be stronger if we make needed changes to restore public confidence in higher education.

ABOUT THIS SURVEY

AGB launched the 2012 *Survey of Higher Education Governance* in April 2012 by sending an electronic invitation to nearly 14,000 trustees. The survey was closed on June 1, 2012, with 2,539 respondents, a response rate of 18.3 percent. The confidential survey was conducted online. The number of responses for each survey item varies. Results are reported by sector for board members serving public institutions and systems, independent non-profit and for-profit institutions, and in total.

Nearly 10 percent of respondents were board chairs, 88 percent were other board members, and 2 percent were institutional chief executives who serve as board members. The institutions they represented were 15 percent public colleges, universities or systems and 85 percent independent colleges and universities. More than one-third (39 percent) served on the governing boards of baccalaureate colleges, 20 percent master's level institutions, 18 percent doctoral universities, 2 percent associates colleges, 2 percent public systems, 1 percent specialized colleges, and 19 percent other or unspecified. The proportion of women board members among survey respondents was 37 percent, which is about seven percentage points higher than the proportion of women in the overall population of governing board members (about 30 percent, according to AGB's 2010 *Policies, Practices and Composition of Governing Boards*).

Details about respondents are reported in Tables 18-21, including information about the enrollment size and sector of institutions represented by the participants in the survey.



TABLE 18: RESPONDENTS BY SECTOR

	<i>Number</i>	<i>Percent</i>
Independent	2,044	81%
Public Institution	287	11%
Public System	93	4%
For-profit	90	4%
TOTAL	2,514	100%

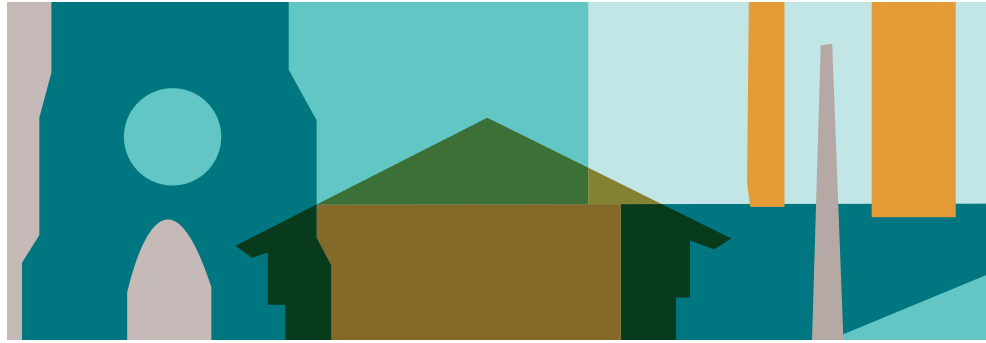


TABLE 19: RESPONDENTS BY LEVEL AND SECTOR INSTITUTION

LEVEL	SECTOR OF RESPONDENTS' INSTITUTIONS				
	<i>For-Profit</i>	<i>Public Institution</i>	<i>Public System</i>	<i>Independent</i>	<i>Total</i>
Baccalaureate	26%	22%	4%	43%	39%
Masters	24%	18%	8%	20%	20%
Doctoral	14%	30%	32%	15%	18%
Associates	2%	10%	2%	1%	2%
System	0%	1%	36%	0%	2%
Specialized	3%	0.4%	0%	1%	1%
Tribal	0%	0.7%	0%	0.1%	0.2%
Don't Know/Other	31%	19%	19%	19%	19%
TOTAL NUMBER	88	284	92	2,028	2,492
TOTAL	100%	100%	100%	100%	100%

TABLE 20: RESPONDENTS BY POSITION

	<i>Number</i>	<i>Percent</i>
Board Member	2,212	88%
Board Chair	240	10%
Institution Chief		
Executive	58	2%
TOTAL	2,510	100%

TABLE 21: LENGTH OF SERVICE ON BOARD

	<i>Number</i>	<i>Percent</i>
Less than 3 Years	630	25%
3 to 7 Years	904	36%
7 or More Years	985	39%
TOTAL	2,519	100%

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1133 20th St. N.W., Suite 300 • Washington, D.C. 20036
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